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# Financing of the United Nations Observer Mission in Angola

## Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/52/799) on revised budgetary requirements for the United Nations Observer Mission in Angola (MONUA) for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolution 52/8 of 31 October 1997 had appropriated $155,000,000 gross ($150,371,600 net) for the operation until 30 June 1998. This amount covered the requirement for 170 military troops as of January 1998, 470 civilian personnel as of May 1998, 86 military observers as of December 1997 and 345 civilian police as of October 1996. The Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The present revised budgetary requirements, submitted pursuant to Security Council resolution 1149 (1998) of 27 January 1998, by which the Council decided to extend the mandate of MONUA until 30 April 1998, reflect an increase of $25,689,000 gross ($26,058,600 net) for a total revised estimate of $180,689,000 gross ($176,430,200 net) for the same period (1 July 1997 to 30 June 1998). Among the items covered by the increased amount are requirements for an additional 785 troops, 4 military observers and 107 additional civilian personnel; there is no change in the number of civilian police. The total personnel establishment is thus 955 contingent personnel, 90 military observers, 345 civilian police and 577 civilian personnel (281 international staff, 225 locally recruited staff and 71 United Nations Volunteers). As indicated in paragraph 10 of the Secretary-General's report, the estimate provides for the phased repatriation of 148 military observers and 2,731 military contingent personnel, and the emplacement of 57 civilian police observers.

3. The additional resources requested are also for "the completion of the *in situ* registration and disarmament of some 6,000 UNITA (União Nacional para a Independência Total de Angola) personnel who were not previously reported to the United Nations (see A/52/799, para. 9). In this connection, the Advisory Committee notes from the Secretary-General's report contained in document A/52/385 (para. 15) that "recurrent costs under air operations and commercial communications take into account related requirements for the verification and demobilization, *in situ*, of some 6,000 personnel of the União Nacional para a Independência Total de Angola (UNITA)."

4. The Advisory Committee notes from annex I to the Secretary-General's report on the revised cost estimates (A/52/799) that the bulk of the $25.7 million in additional resources requested are for military personnel costs ($15.4 million); other significant elements are: $3.4 million for air operations; $4.3 million for supplies and services; and $2.1 million for air and surface freight.

5. Of the $155 million already appropriated, the Advisory Committee was informed that $139.6 million had already been allotted for the period ending on 30 April 1998 and

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that, of the amount allotted, $56 million had been disbursed and $46.4 million had been committed as at 31 January. The Committee was also informed that, for the troops that had been retained (see A/52/799, annex II.D, para.4), no obligations for troop reimbursement had been made; however, expenditure and obligations on other items, such as rations, had been incurred.

6. The Advisory Committee notes from annex I to the Secretary-General's report (A/52/799)that the revised estimates for civilian personnel costs show a reduction of $335,700 from $33,778,800 to $33,443,100. The Advisory Committee also notes from paragraph 14 of annex II.D to the same report that, while the proposed number of posts at maintenance level had increased, the revised cost estimate reflected a decrease in requirements, owing to the fact that it was based on actual recorded expenditure for the period from 1 July to 31 December 1997; the estimate for the period from 1 January to 30 June 1998 is based on standard salary costs and full incumbency of posts. Given the fact that no vacancy factor has been taken into account in the budget estimates for this item, and also based on past experience, which has shown that recruitment for all the positions rarely takes place as planned, the Committee doubts whether all of the resources requested would be utilized.

7. With regard to estimates for air operations, the Advisory Committee notes from annex I to the Secretary-General's report that the revised estimates envisage an increase of $3,404,600 over the original estimate of $21,828,800. The Committee notes from paragraph 36 of annex II.D to the Secretary-General's report that part of the increase was owing to an additional requirement of 168 block hours for hire/charter costs for the seven MI-8 helicopters. With regard to hire/charter costs for fixed-wing aircraft, the Advisory Committee was informed that the additional costs are owing to 744 additional hours planned, as well as to a change in the configuration of the aircraft establishment; the Antonov AN-32 aircraft which had been operating from July to October 1997 was replaced by two Lockheed L-100s. This resulted in a change of contract effective 16 October 1997 for the Lockheed aircraft and a consequent change in the cost per hour.

8. The Advisory Committee believes that the revised cost estimates for air operations show an increase mainly because additional flying hours have been estimated. However, experience had shown that there is consistent underexpenditure against this item, as less hours are utilized than planned. The Advisory Committee requested, and was provided with, information regarding flight hours planned and utilized during the period from 1 July 1997 to 31 January 1998. The information showed that, of the 2,058 hours planned for helicopter operations, 153 hours remained unutilized and, with regard to fixed-wing aircraft, of the 8,184 hours planned, 884 hours remained unutilized. The Advisory Committee therefore believes that there is a potential for savings in air operations for the period ending on 30 June 1998.

9. The estimates for supplies and services show an increase of $4,251,300 over the approved estimates of $19,553,800. The increase includes an additional $3,527,300 for contractual services, in addition to the $14,960,100 already budgeted for and reflected in annex I to the Secretary-General's report. As indicated in paragraph 57 of annex II.D to the Secretary-General's report, provision in the original budget had been estimated at $750.000 per month for the period from 19 January to 30 June 1998, pending the awarding of a new contract. The revised cost estimate is based on actual recorded expenditure until 31 December 1997 and projected requirements at an average cost of $1,350,270 per month. Effective 19 January 1998, a new support service contract has been awarded for a one-year period, subject to renewal of the mandate of MONUA. This contract has a total ceiling cost of $16,192,394, or a monthly average cost of $1,349,366. On inquiry, the Committee was informed that the current contract is based on the provision of services, instead of manpower, as in the previous contract. The Committee inquired, but was not able to ascertain, how the Administration was able to determine that for the next 12-month period, the level of the services provided by the contractor would cost $1.3 million per month. The Advisory Committee recommends that steps be taken to monitor and manage the contract carefully, with a view to reducing costs.

10. As indicated in paragraph 50 of annex II.D to the Secretary-General's report, the original cost estimate for commercial communications was based on the assumption that the installation of VSAT systems would be completed by 1 November 1997. However, owing to delays in the delivery of the equipment, which was rescheduled to arrive by 1 February 1998, the Mission had to rely on the prolonged use of more expensive INMARSAT communications. On inquiry, representatives of the Secretary-General attempted to explain that, since the VSAT equipment was not off-the-shelf and had to be custom-made for the Mission's requirements, a three-month delay was not abnormal. The Committee believes that, given the fact that the Administration was aware of the situation, including knowledge of the capacity of the vendor, the cost estimates for the equipment should have been based on delivery in February 1998 and not November 1997. The Advisory

Committee cites this as an example of poor planning and a deficiency in the procurement process.

11. On the basis of its views and observations in the paragraphs above, the Advisory Committee recommends that, of the $25,689,000 gross requested by the Secretary-General, an additional amount of $20 million gross for the maintenance of MONUA for the period from 1 July 1997 to 30 June 1998 be appropriated by the General Assembly; the Committee is of the opinion that this amount should cover, on a priority basis, the requirement of $15.4 million for additional military personnel. The total amount that would be appropriated for the maintenance of the Mission for the period from 1 July 1997 to 30 June 1998 would thus be $175 million gross.

12. The Advisory Committee draws the attention of the General Assembly to the fact that the financial performance report for the period from 1 July 1996 to 30 June 1997 of the Mission (A/52/385/Add.1) shows an unencumbered balance of $3,564,300 gross ($1,999,400 net). In this connection, the Committee will submit in due course its comments and observations to the General Assembly on the financial performance of peacekeeping operations and the cost estimates for the period from 1 July 1998 to 30 June 1999.